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Favorable Trade Balance, $242,000,000

THAT was the Position at the End of 1915 and it Allows Payment of $182,000,000 Annual Interest Charges, Still Leaving a Balance of $60,000,000 in Our Favor—Continued Heavy Production is Necessary to Maintain this Good Standing.

FOR the twelve months ended December last Canada had a favorable trade balance of $242,940,638, as compared with an unfavorable balance of $53,003,797 a year ago and an unfavorable balance of $195,544,625 in 1913. These figures indicate the remarkable change which has occurred in the national position during the past few years. The position for the twelve months ended December in the past three years is shown in the following table:—

Merchandise only.	1913.	1914.	1915.
Imports	$656,063,871	$481,319,309	$410,547,774
Exports	460,519,246	428,315,512	653,488,412
Unfavorable bal.	$195,544,625	$ 53,003,797	....
Favorable bal.	....	....	$242,940,638

In the month of December alone, there was a favorable balance of $47,903,882, compared with $7,955,184 in the previous year. The figures for the month of December of the past three years are as follow:—

Merchandise only.	1913.	1914.	1915.
Exports	$56,959,593	$38,348,097	$93,594,603
Imports	45,009,552	30,392,913	45,690,721
Favorable bal.	$11,950,041	$ 7,955,184	$47,903,882

The change is chiefly attributable to a reduction of imports and increasing exports due largely to war orders and record crops. A substantial trade balance in our favor is likely to continue for some time to come and it is doubtful whether the peak of our present export movement has yet been reached. As Mr. H. V. Meredith, president of the Bank of Montreal, recently pointed out, "the restoration of a favorable balance in our foreign trade is a factor of supreme importance at the present time, as it enables us to conserve our gold supplies and to curtail our borrowings abroad to some extent. The balance of foreign trade against Canada had been quite large for several years past, due principally to the ease with which we were able to borrow in the London market. Now that that avenue is closed, we have been compelled to curtail imports and increase exports in order to meet interest obligations and maintain our credit." The above figures show how successfully we are meeting the situation.

In the above calculations coin and bullion shipments have been omitted and only imports and exports of merchandise are included. Although it has been customary to include coin and bullion figures in trade returns, the total trade figures are seriously disturbed by them at the present time on account of the Bank of England having established at Ottawa a gold depository and because of the international financial situation generally. Coin and bullion figures, therefore, should not be reckoned in connection with the trade of Canada. Coin and bullion shipments for the twelve months ended December in the past three years have been as follows.

Coin and bullion.	1913.	1914.	1915.
Imports	$14,175,708	$132,864,585	$ 21,275,888
Exports	13,894,418	19,618,773	128,337,710

Our total trade, merchandise only, for the calendar year 1915 was not quite $20,000,000 short of the total of 1913, and approximately $197,000,000 greater than the total for 1914. Here are the figures: 1913, $1,119,586,117; 1914, $907,634,821; 1915, $1,104,036,186.

While the total trade two years ago was somewhat larger than that of last year, there was, as we have seen, an adverse trade balance of over $195,000,000 in 1913. Last year, while the total trade was less than in 1913, there was a favorable trade balance of nearly $243,000,000, showing an immensely improved position compared with that of previous years.

The factors contributing to the improved position of our exports are indicated in the following table, showing the exports of Canadian produce only, during December of the past three years:—

Canadian exports of	1913.	1914.	1915.
The mines	$ 4,778,834	$ 3,761,269	$ 5,632,984
The fisheries	2,524,487	2,136,581	2,067,132
The forests	2,782,061	2,698,804	3,553,083
Animal produce	4,744,656	8,301,667	9,420,534
Agricultural produce	35,367,942	11,289,411	49,389,763
Manufactures	599,086	7,761,702	21,810,697
Miscellaneous	7,676	214,145	287,209
	$55,803,642	$37,193,609	$92,171,402

In every department, with the exception of the fisheries, there were substantial increases, the most notable being in agricultural produce, the exports of which in December last were more than four times greater than in December a year ago. Comparing the same periods, exports of manufactures trebled and forest ex-